

## **Senate Bill No. 407**

### **CHAPTER 213**

An act to amend Section 3511.1 of the Government Code, relating to local government.

[Approved by Governor September 6, 2013. Filed with  
Secretary of State September 6, 2013.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

SB 407, Hill. Local government: officers and employees: contracts.

Existing law, commencing on January 1, 2012, prohibits an employment contract for a local agency executive, as defined, from providing an automatic renewal of a contract that provides for an automatic compensation increase in excess of a cost-of-living adjustment or a maximum cash settlement in excess of certain limits, as specified. Existing law defines the term "local agency executive" for these purposes, and includes within that definition any person who is either the chief executive officer of the local agency or a department head of a local agency.

This bill would additionally include within the definition of "local agency executive" any person who is a deputy or assistant chief executive officer, and any person whose position is held by an employment contract between that person and the local agency. By expanding the duties of local officials, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

*The people of the State of California do enact as follows:*

SECTION 1. Section 3511.1 of the Government Code is amended to read:

3511.1. As used in this chapter, the following definitions apply:

(a) "Compensation" means annual salary, stipend, or bonus, paid by a local agency employer to a local agency executive.

(b) "Cost-of-living" means the California Consumer Price Index for Urban Wage Earners and Clerical Workers as calculated by the Department of Industrial Relations.

(c) "Local agency" means a county, city, whether general law or chartered, city and county, town, school district, municipal corporation,

district, political subdivision, or any board, commission, or agency thereof, or other local public agency.

(d) “Local agency executive” means any person employed by a local agency who is not subject to the Meyers-Milius-Brown Act (Chapter 10 (commencing with Section 3500)), Chapter 5 (commencing with Section 45100) of Part 25 of Division 3 of Title 2 of the Education Code, or Chapter 4 (commencing with Section 88000) of Part 51 of Division 7 of Title 3 of the Education Code, and who meets any of the following requirements:

(1) The person is the chief executive officer, a deputy chief executive officer, or an assistant chief executive officer of the local agency.

(2) The person is the head of a department of a local agency.

(3) The person’s position within the local agency is held by an employment contract between the local agency and that person.

SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.